

LABOR AND PUBLIC EMPLOYEES COMMITTEE - THURSDAY, JANUARY 31, 2013

Joshua Esses – Testimony on S.B. No. 387 (RAISED) AN ACT INCREASING THE MINIMUM FAIR WAGE.

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Mr. (Madam) Chairman, and members of the committee, good afternoon, my name is Josh Esses, and I am a resident of Stamford, Connecticut, testifying today on Senate Bill 387.

To start with, I'd like to commend the Labor Committee for your focus on raising the living standards of those earning the minimum wage; public policy should be designed with the goal of increasing the welfare of the least-well off among us as a pre-eminent priority. However, I fear that raising Connecticut's minimum wage from \$8.25 an hour to \$9.75 would work to undermine the very noble intentions of the supporters of this bill.

Consider, that instead of \$9.75, this bill raised the minimum wage to \$30 an hour. I think we can all see the issues that would create. Many jobs simply can't exist at those wages, and countless individuals currently earning less than \$30 an hour would either be laid off, or forced to work off the books in order to keep their job.

The same problem results from a minimum wage set at \$9.75 an hour, or any amount really. Sure, some workers currently earning \$8.25 will keep their job at the higher minimum wage, but only those who can provide labor equal to or greater than the new minimum wage. However, those workers who do not have the skills to justify being paid the higher wage will no longer be employed. The minimum wage punishes the least skilled among us, by denying them the right to earn a wage commensurate with their abilities. Furthermore, this prevents them from learning on-the-job skills, professionalism, and punctuality; which would allow them to earn higher wages in the future.

I'd now like to address what I believe to be the primary objection to my suggestion that a higher minimum wage will cause unemployment; the idea that firms paying employees the minimum wage are thereby exploiting them, and can afford to pay all of them a higher wage while still remaining profitable. I have no intention of disputing the notion that firms would *like* to pay their employees as little as possible, but I do question their *ability* to do so. It cannot be forgotten that the existence of an almost limitless number of firms who want to take advantage of you severely constrains the ability of *any* of them to do so. If a worker earning the minimum wage is receiving a raw deal, another firm, sensing an opportunity to profit, would step in and offer a better deal. This process would repeat itself indefinitely, until the worker receives a just wage that is equal to the value of their labor.

Unfortunately, some workers simply aren't worth more than \$8.25 an hour, and an increase in the minimum wage would devastate their ability to earn any wages at all. Minimum wage laws punish the least advantaged among us, and I would strongly urge the committee not only to not increase the minimum wage, but to eliminate it altogether. Thank you for your time.